

Pers 76-1840

8 JUL 1975

MEMORANDUM FOR: Deputy Director of Central Intelligence
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FROM :
Acting Director of Personnel
SUBJECT : Report of Rehired Annuitants and Employed
Retired Military Officers
REFERENCE : Memo for Secretary, CIA Management Committee
fr DDI, dtd 19 Apr 76, subject: Certain Aspects
of Agency Personnel Practices

25X1A 1. Referent memorandum discusses current practices in the Agency for the employment of Agency annuitants and retired military officers in staff and contract status and proposes an Executive Advisory Group review of the practice in relation to the stated policies of the regulations. The policy of the Agency for the hire of retired Agency employees, other retired U.S. Government civilian employees and retired military officers is described in Their employment is limited to meet "... only those requirements that cannot be filled either by the internal reassignment or training of on-duty personnel, or by the recruitment of new employees who are qualified ... with the Agency." This provision for the employment of annuitants is consistent with the practice elsewhere in Government. Civil Service Commission regulations clearly state that an annuitant under the Civil Service Retirement System is not, because of his retired status, barred from employment in any position for which he is qualified. A person retired under another retirement law may be reemployed only as provided by the particular act under which he retired. (Federal Personnel Manual Chapter 300.)

2. Forwarded herewith are statistics relative to these two groups of employees, and including data on rehired annuitants of other Federal agencies, which may provide background data for the suggested study. Also attached is a name list of rehired annuitants, civilian and military, arranged by Directorate and Office or Division.

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As of 30 April 1976, the Office of Personnel records reflect 212 rehired Federal civilian annuitants on board and 105 retired military officers. Of the 212 civilian annuitants, 193 are retired Agency employees and 19 are retirees from other Federal agencies. In addition, there are 35 Agency retirees who are currently independent contractors working [redacted]. It is apparently not possible for [redacted] to identify from among their [redacted] independent contracts those who may be retirees from other Federal agencies. The approval system for this group of employees is being restructured and the new forms will request specific information relative to annuitant status, Federal civilian or military annuitant.

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3. As a matter of comparative interest, we have attached a copy of the Career Service chart for the gross data included in the FY 75 Annual Personnel Plan for these same two groups of annuitants. The Agency on-board report for 1 July 1974 reflected 154 rehired civilian annuitants of whom 141 were Agency retirees. The proposed on-board figure for 1 July 1975 was 170, of whom 139 were expected to be Agency annuitants. The report also showed 109 retired military officers on board, 55 as staff employees. A reduction to 87 was projected for 1 July 1975.

4. The analyses of the appropriateness of the utilization factors will necessarily have to be made by the individual Directorates in terms of the talents and abilities of the individuals concerned viz the component requirements and the availability of equally qualified personnel on board or possible of obtaining through the normal recruitment process. Several of the military officers reported herein have disability retirement and because of age and Agency career factors probably would not be a matter of concern in this type of review.

5. Insofar as salary levels are concerned, retired civilian annuitants on contract in employee or independent contractor status are limited to 90% of the current salary for the grade and step held at the time of retirement. For the contract employee the 90% is computed on the hourly rate; the independent contractor rate is computed on the total paid during a contract year. The annuity is offset against this salary. CSC regulations impose no percentage reduction or limitation on salary. Retired officers of a regular component of a uniformed service are subject to the dual pay provisions of Section 5532 of Title 5, U.S. Code which authorizes receipt of full pay of the position held, but reduces the retired pay to an annual rate equal to the first \$2,000, plus cost of living increases (as of 2 February 1976 this figure is \$3,859.89), plus

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one-half of the remainder, if any. This computation applies only to officers who have an employee status, staff or contract. The law does not apply to those officers who have an independent contractor relationship. The retired reserve officer is entitled by law to receive the full salary of his position without reduction of retirement pay regardless of his employment status.

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Attachments

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